ᓄᓇᕗᑦ ᑭᓱᖃᖅᓯᒪᔪᖅ

Nunavut
Arctic College

2013-2014

ANNUAL REPORT

Letter of Transmittal

This Annual Report is respectfully submitted to the Minister Responsible for Nunavut Arctic College. The report includes Nunavut Arctic College's financial statements as well as highlights of activities and major accomplishments for the fiscal and academic year of July 1st, 2013 - June 30th, 2014.

Due to the strong partnerships with organizations across the territory, Arctic College delivers academic and employment-related programs in communities throughout Nunavut. The College continues to strengthen management systems and accountability. The Board of Governors works closely with the President to achieve the Board's strategic goals:

- Iliqqusiit-Culture: building a culturally responsive college,
- Nunaliit-Communities: improving programs and services to communities,
- Pitsiaqsimanipaaq-Excellence: achieving academic excellence, and
- Sannginiq-Strength: strengthening college systems and operations.

The Government of Nunavut's mandate Sivummut Abluqta: Stepping Forward Together, affirm Nunavut's commitment to Inuit social values. The Board of Governors is committed to working with the Government of Nunavut to achieve the objectives and priorities of Sivummut Abluqta, particularly:

- Self-reliance and optimism through education and training
- Healthy families through strong and resilient communities
- Economic growth through responsible development across all sectors
- Good government through wise use of our resources

My fellow Governors and I are aware of the important role the Board of Governors plays in providing overall leadership and direction to Nunavut Arctic College and ensuring that the programs offered are culturally relevant and widely accessible to Nunavummiut.

The Board is committed to working with you as Minister Responsible for Nunavut Arctic College so that we can continue to build a strong college, expand adult learning programs and services across Nunavut, and achieve the goals of Sivummut Abluqta: Stepping Forward Together.

We appreciate the support you have given us during your tenure as our Minister.

Sincerely,

Martha Main, Chair
Board of Governors
Nunavut Arctic College

President's Report

Nunavut Arctic College's programs and services are accessible from many different locations throughout Nunavut. There are Community Learning Centres in all Nunavut communities.

The 25 Community Learning Centres (CLCs) are each staffed with an Adult Educator. They initiate and coordinate programs, support adult learners, assess community needs, and are the first point of contact for those wanting information or access College programs and services. Adult Educators offer Adult Basic Education, literacy training, and pre-employment and upgrading programs in preparation for the College career training programs. Selected CLCs offer the College Foundations Program, which prepares students for careers in environmental technology, nursing and teaching.

Other facilities include headquarters in Arviat, the Nunavut Research Institute in Iqaluit, the Igloolik Oral History Research Centre, Piqqusilirivvik and the regional campuses in Cambridge Bay, Iqaluit, and Rankin Inlet. The programs and services of Nunavut Arctic College are significantly decentralized. The College offers a broad range of programming through six primary programming divisions.

The Inuit Languages and Culture division has both specific program delivery responsibilities and general program quality responsibilities. Its general responsibility is to support and ensure appropriate Inuit language and culture content in all College programs. Its activities are supported with advice from the Language and Culture Committee. This past year they have coordinated the lead on The Inuit Language and Culture Centre of Excellence which coordinates all of our language and cultural strengths as Nunavut's college.

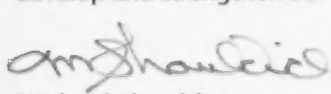
In its Career Programming division, the principal programs are Management Studies and Office Administration. It includes the management of the Municipal Training Organization and GN Staff Training contracts. They continue to develop the financial accounting programs with a degree partnership at Grant McEwean University.

The College offers a variety of programs through its Education division, but the principal career program of the division is the Nunavut Teacher Education Program which is a partnership program with the University of Regina and is offered in 10 communities. It prepares bilingual elementary and middle school teachers for employment in Nunavut schools.. The Division also takes a leadership role in promoting and expanding delivery of the Early Childhood Education Program which prepares graduates to work with children from infancy to the age of six in both formal and informal settings. They have just completed the development of a new Early Childhood Eduation Diploma for delivery in the next academic year.

In its Health and Social Services division the primary career programs include the Social Services Worker Certificate and Diploma and the Nursing Degree offered in partnership with Dalhousie University. Principal initiatives in the Apprenticeship and Trades Training division are the training centre in Rankin Inlet, for construction and equipment training, and for the mine training centre proposed for Cambridge Bay. This division works closely with the Nunavut Apprenticeship, and are moving plans forward to support employment in industry.

Nunavut Arctic College also houses Environmental Technology and Fine Arts Divisions. Student Services includes residences, cafeteria, counseling, transportation, recreation, daycare and security at the regional campuses.

Our College strategically is developing the capacity to become a University/College, increasing the number of trades and employment opportunities in industry, and strengthening the language and cultural programs. We continue to develop and strengthen our student services.



Michael Shouldice
President
Nunavut Arctic College

Kivalliq Campus and Nunavut Trades Training Centre Staff in Rankin Inlet.

Our Mission

To strengthen the people and communities of Nunavut by providing life-long learning opportunities for Nunavummiut adults by appropriately delivering quality career programs developed with input from our partners throughout the Arctic, and by making the benefits of Inuit traditional knowledge and southern science more accessible.

Vision

Nunavut Arctic College will strive to be the college of choice for the people of Nunavut by offering culturally relevant programs of the highest national standard. In the advancement of their language and culture, our graduates will value education and will be proud to take their place in Nunavut and beyond.

Chris McCarthy and Lindsay Sowdluapik-Lloyd piloting the Pathways to Adult Secondary School (PASS) Program.

Adult Educators share ideas at the Northern Adult Basic Education (NABE) Conference in Whitehorse in spring 2014.

Students and university researchers collaborate on community-based research at the College's Head Office in Arviat.

Strategic Link to Sivummut Abluqta: Stepping Forward Together

Nunavut Arctic College is committed to working with the Government of Nunavut to achieve the objectives and priorities of the Government of Nunavut's Mandate Sivummut Abluqta: Stepping Forward Together.

Education is the foundation for employment and self-reliance of individuals and families. Government, communities, teachers, parents, and students share responsibility for improving education outcomes to provide the best possible opportunities for the future. Nunavut Arctic College will focus on

Self-reliance and optimism through education and training

Our top priority is the development of self-reliance and optimism through quality education and training to prepare Nunavummiut for employment. Education and employment will reduce poverty, improve health outcomes and enhance our ability to look after ourselves, our elders and our children.

Healthy families through strong and resilient communities

Strong communities are made up of healthy families and individuals with the skills and resources to be self-reliant and to contribute to the territory. We must invest in community-based solutions to improve health, social well-being and local economies.

Economic growth through responsible development across all sectors

Nunavut has abundant natural resources – renewable and non-renewable. We must work towards a more diverse economy that will provide Nunavummiut with a wide range of employment options.

Good government through wise use of our resources

As a government, we must focus our limited funds on programs and services that enable Nunavummiut to live healthy and productive lives. While implementing our priorities, we must also review existing government programs and contribution agreements to ensure that we are achieving the outcomes we expect.

We will:

- Promote and recognize the importance of early childhood education to prepare children and their parents for a successful start in life and school;
- Enable Nunavummiut to enter into training to become trades apprentices and to complete their certification requirements on the job; and
- Support labour force training, development and employment through strategic alliances with sector partners.
- Continue to invest in the education and development of all current and potential public servants, with an emphasis on increasing Inuit employment in professional and leadership roles in government.

Strategic Link to the Nunavut Land Claims Agreement

Nunavut Arctic College supports the Government of Nunavut and Nunavut Tunngavik Inc. in achieving the objectives of the Nunavut Land Claims Agreement (NLCA). In particular, Article 23 of the NLCA has as its objective "to increase Inuit participation in government employment in the Nunavut Settlement Area to a representative level." The College will continue to offer relevant education and training that will prepare Inuit for employment opportunities in government.

Inuit Employment Summary	Current Positions
Total Positions	217.10
Total Vacancies	44.10
Executive	1
Beneficiaries	0
Senior Management	7
Beneficiaries	3
Vacancies	0
Middle Management	28
Beneficiaries	7
Vacancies	5
Professional	119.10
Beneficiaries	47
Vacancies	28.10
Paraprofessional	27
Beneficiaries	10
Vacancies	9
Administrative Support	35
Beneficiaries	30
Vacancies	2
Total Positions less Vacancies	173
Total Beneficiaries	97
Percentage Inuit Employment	56%

In 2014 College congratulated another graduating class from the Piqqusilirivvik Inuit Cultural Learning Centre in Clyde River.

Education Programs Director Brian Manning, Minister responsible for Nunavut Arctic College Paul Quassa and Nunatta Dean Eric Corneau during a campus visit.

Arviat Adult Basic Education Essential Skills students take part in a social media workshop with the College's Public Affairs department at Head Office.

2013-2014 Board of Governors

Nunavut Arctic College is responsible through the Board of Governors to the Minister Responsible for Nunavut Arctic College. The Board of Governors determines policies respecting the administration of the College, including the Nunavut Research Institute.

The Board recommends priorities to the Minister for courses and programs that may be established by the Minister, ensures that for each fiscal year an estimate of the revenues and expenditures of the College is prepared and presents budgets to the Minister in accordance with Part IX of the Financial Administration Act. The Board of Governors has the following standing committees: Executive Committee, Finance Committee, and Policy and Programs Committee.

Nunavut Arctic College Board of Governors

KITIKMEOT REGION

Ruth Niptanatiak-Wilcox
Cambridge Bay, Vice Chair

Ann Rose Kerkovius
Kugluktuk

KIVALLIQ REGION

Martha Main, Acting Chair
Arviat

Suzanne Misheralak
Rankin Inlet

QIKIQTAALUK REGION

Rhoda Ungalaq
Iqaluit

Katherina Lucy Kublu
Pond Inlet

STAFF REPRESENTATIVE

Jason Carpenter
Iqaluit

STUDENT REPRESENTATIVE

Alison L. Coman
Iqaluit

EX-OFFICIO, NON-VOTING

Michael Shouldice
Ex-officio, Non-voting
Iqaluit

In 2014, the College took part in an exchange visit to Greenland.

University of Winnipeg and Nunavut Arctic College forge partnership agreement

Nunavut Arctic College and The University of Winnipeg signed a Memorandum of Understanding which will see graduates of the College's Environmental Technology Program obtain advanced standing towards the U of W's Bachelor of Science degrees.

2013-2014 NUNAVUT ARCTIC COLLGE HIGHLIGHTS

Nunavut Arctic College Launches Culturally Relevant Assessment Tools in Whitehorse

The Nunavut Adult Placement Assessment (NAPA) was a 27-month project that was completed in March 2014. The assessment was developed by Dr. Pat Campbell, who worked with a team of authors and specialists with expertise in test development, reading, statistics, question structure, design, and editing. The project was presented at the 2014 Northern Adult Basic Education conference in Whitehorse.

Inuit Studies and Interpreter Translator students complete Research Methods course

Students in the Inuit Studies and Interpreter Translator programs recently completed their Research Methods course. The students research topic was, Qanngualuk Mystery.

The Elders were Eegeesiak Peter, Ujjualik Etidloie, Kamanik Sangoyak, Ruth Siakuluk, with Mary Krimmerjuar and Ruth Siakuluk and we thank them for supporting our students!

Nunavut Arctic College Libraries Receive American Shelf Donation

Nunavut Arctic College Library Services accepted a library resources donation from the Embassy of the United States of America and the Consulate General in Quebec City titled the American Shelf. The American Shelf is part of the American Spaces program, which is a U.S. Department of State initiative involved in opening American Centers in an effort to support public diplomacy.

Yukon and Nunavut Colleges recognised for Adult Basic Education best practices

After reviewing over 100 programs across Canada, the First Nations, Inuit and Métis Essential Skills Inventory Project (FIMESIP) has selected the Heavy Equipment Operator Essential Skills program offered in Pelly Crossing, Yukon, and the NABE Enhancement initiative offered in 18 communities in Nunavut as two of 10 case studies that best embody 12 Markers of Promising Practice.

Arctic Bay instructor recognized among Outstanding Adult Educators

Rex Willie in Arctic Bay was among instructors from each of Canada's Territorial Colleges has been named as an Outstanding Adult Educator. The award was presented at the first ever Northern Adult Basic Education Symposium, a professional development conference held at Yukon College in May 2014.

He has forged partnerships with Inuit Heritage Trust, Nunavut Youth Consulting, and Carleton University to develop a community-based cyber-cartographic mapping project using current technologies familiar to youth in everyday life to maintain and foster valuable cultural ties.

Sanatuliqsarvik graduates first Journeyman Oil Burner Mechanic

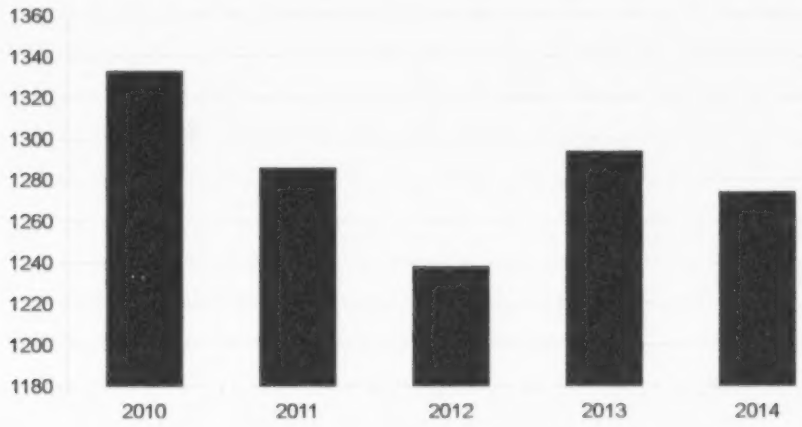
Congratulations to Aaron Pilakapsi, the first Journeyman Oil Burner Mechanic to emerge from apprenticeship training courses offered at the Sanatuliqsarvik Nunavut Trades Training Centre in Rankin Inlet.

The Apprenticeship OBM program is an Interprovincial (Red Seal) designated trade. Apprenticeship technical level 1, 2 and 3 programs aim to provide students with skills, knowledge and confidence to continue to become a certified Journeyman OBM.

2010-2014 Enrolments

Post-secondary enrolments are influenced by a number of factors, but particularly by funding and the economy. When federal or territorial funding is available, enrolments tend to strengthen. When the economy strengthens, enrolments tend to reflect yung people directly entering the workforce.

Nunavut Arctic College enrolments have varied from 1,333 in 2010 to 1,274 in 2014.



The College web site continues to grow as an integrated web and social media communications platform distributing college information, news and research to a global audience.

Visit our web site at: http://www.arcticcollege.ca
Follow us on Twitter: @NunavutCollege
Find us on Facebook:
http://facebook.com/NunavutArcticCollege

INDEPENDENT AUDITOR'S REPORT

To the Minister Responsible for Nunavut Arctic College

Report on the Financial Statements

I have audited the accompanying financial statements of Nunavut Arctic College, which comprise the statement of financial position as at 30 June 2014, and the statement of operations and accumulated surplus, statement of change in net financial assets and statement of cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

.../2

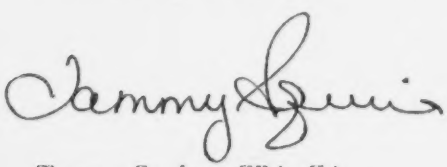
Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of Nunavut Arctic College as at 30 June 2014, and the results of its operations, changes in its net financial assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Report on Other Legal and Regulatory Requirements

As required by the *Financial Administration Act* of Nunavut, I report that, in my opinion, the accounting principles in Canadian public sector accounting standards have been applied on a basis consistent with that of the preceding year.

Further, in my opinion, proper books of account have been kept by Nunavut Arctic College and the financial statements are in agreement therewith. In addition, the transactions of Nunavut Arctic College that have come to my notice during my audit of the financial statements have, in all significant respects, been in accordance with Part IX of the *Financial Administration Act* of Nunavut and regulations, the *Nunavut Arctic College Act* and regulations and the by-laws of Nunavut Arctic College.



Tammy Squires, CPA, CA
Principal
for the Auditor General of Canada

18 September 2014
Ottawa, Canada

NUNAVUT ARCTIC COLLEGE

FINANCIAL STATEMENTS

June 30, 2014

NUNAVUT ARCTIC COLLEGE

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The accompanying financial statements of the Nunavut Arctic College ("the College") and all information in this annual report are the responsibility of the College's management and have been reviewed and approved by the Board of Governors. The financial statements include some amounts, such as the allowance for doubtful accounts receivable and the provision for employee future benefits, which are necessarily based on management's best estimates and judgment.

The financial statements have been prepared in accordance with Canadian public sector accounting standards (PSAS). Financial information presented elsewhere in the annual report is consistent with that contained in the financial statements.

In discharging its responsibility for financial reporting, management maintains and relies on financial and management control systems and practices which are designed to provide reasonable assurance that transactions are authorized, assets are safeguarded and controlled and proper records are maintained. These controls and practices are intended to ensure the orderly conduct of business, the accuracy of accounting records, the timely preparation of reliable financial information and adherence to the College's policies and statutory requirements.

The Board of Governors is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control. The Board of Governors, the majority who are not employees of the College, meets periodically with management and the external auditors. The external auditors have full and free access to the Board of Governors.

The College's independent external auditor, the Auditor General of Canada, is responsible for auditing the transactions and financial statements of the College and for issuing his report thereon.

Michael Shouldice
President

September 18, 2014

Marcelo Parungao
Bursar

September 18, 2014

NUNAVUT ARCTIC COLLEGE
Statement of Financial Position
as at June 30
(in thousands of dollars)

	2014	2013
Financial assets		
Cash and cash equivalents (Note 3)	35,931	33,176
Accounts receivable (Note 4)	3,604	2,448
Total financial assets	39,535	35,624
Liabilities		
Accounts payable and accrued liabilities (Note 5)	2,400	2,647
Due to the Government of Nunavut (Note 11)	7,487	7,019
Deferred contract income	260	282
Capital lease obligations (Note 6)	140	169
Professional development fund (Note 7)	1,220	927
Employee future benefits (Note 8)	1,391	1,071
Total liabilities	12,898	12,115
Net financial assets	26,637	23,509
Non-financial assets		
Tangible capital assets (Schedule A)	590	700
Prepaid expenses	60	135
Total non-financial assets	650	835
Accumulated surplus	27,287	24,344

Contractual obligations (Note 12)
Contingencies (Note 14)

The accompanying notes and schedule are an integral part of these financial statements.

Approved by the Board :

Martha Main
A/Chairperson of the Board

NUNAVUT ARCTIC COLLEGE
Statement of Operations and Accumulated Surplus
for the year ended June 30
(in thousands of dollars)

	2014 Budget	2014 Actual	2013 Actual
Revenues			
Contract income (Note 11)	9,350	11,070	8,944
Tuition fees	1,494	914	1,026
Room and board	735	956	873
Miscellaneous revenue and recoveries	846	497	522
Investment income	106	243	263
Total revenues	12,531	13,680	11,628
Expenses (Note 10)			
Trades, Community and Distance Learning Programs	15,805	14,544	13,840
Services Provided without Charge (Note 11)	-	10,631	10,438
General Administration	6,521	6,537	6,411
Student Services	4,364	5,379	5,337
Health, Wellness and Business Programs	5,237	4,362	4,588
Education and Language Programs	4,834	4,556	4,228
Piqqusilirivvik Centre	3,663	3,189	2,916
Inuit and Cultural Program	2,354	3,053	2,248
Research and Technology Office	1,628	1,321	1,378
Total expenses	44,406	53,572	51,384
Deficit for the year before Government Funding	(31,875)	(39,892)	(39,756)
Government Funding (Note 9)	31,875	42,835	46,194
Surplus for the year	-	2,943	6,438
Accumulated surplus - beginning of the year	24,344	24,344	17,906
Accumulated surplus - end of the year	24,344	27,287	24,344

The accompanying notes and schedule are an integral part of these financial statements.

NUNAVUT ARCTIC COLLEGE
Statement of Change in Net Financial Assets
for the year ended June 30
(in thousands of dollars)

	2014 Budget	2014 Actual	2013 Actual
Surplus for the year	-	2,943	6,438
Tangible capital assets (Schedule A)			
Additions	288	(68)	(78)
Amortization	75	178	176
	363	110	98
Net (additions) use of prepaid expenses	-	75	(72)
Change in net financial assets	363	3,128	6,464
Net financial assets - beginning of the year	23,509	23,509	17,045
Net financial assets - end of the year	23,872	26,637	23,509

The accompanying notes and schedule are an integral part of these financial statements.

NUNAVUT ARCTIC COLLEGE
Statement of Cash Flow
for the year ended June 30
(in thousands of dollars)

	2014	2013
Cash provided by (used for) operations		
Government contributions	32,204	35,845
Contracts	10,068	9,061
Other contributions	2,135	2,910
Paid to employees	(29,097)	(21,751)
Paid to suppliers	(12,677)	(18,245)
Interest	219	218
Cash provided by (used for) operations	2,852	8,038
Cash provided by (used for) capital activities		
Tangible capital asset acquisitions	(27)	(78)
Cash (used for) provided by capital activities	(27)	(78)
Cash provided by (used for) financing activities		
Principal payments on capital leases	(70)	(56)
Cash (used for) provided by financing activities	(70)	(56)
Increase in cash and cash equivalents	2,755	7,904
Cash and cash equivalents - beginning of the year	33,176	25,272
Cash and cash equivalents - end of the year (Note 3)	35,931	33,176

The accompanying notes and schedule are an integral part of these financial statements.

NUNAVUT ARCTIC COLLEGE **SCHEDULE A**

Schedule of Tangible Capital Assets

for the year ended June 30

(in thousands of dollars)

	Buildings	Furniture and Equipment	Building Improvements	Computers and Printers	Mobile Equipment	Capital Leases	2014 Totals	2013 Totals
Cost of tangible capital assets								
Opening balance	84	454	504	91	439	308	1,880	1,855
Additions	-	-	15	12	-	41	68	78
Disposals	-	-	-	-	-	-	-	(53)
Closing balance	84	454	519	103	439	349	1,948	1,880
Accumulated amortization								
Opening balance	(15)	(285)	(287)	(91)	(298)	(204)	(1,180)	(1,057)
Amortization	(3)	(21)	(51)	(1)	(35)	(67)	(178)	(176)
Disposals	-	-	-	-	-	-	-	53
Closing balance	(18)	(306)	(338)	(92)	(333)	(271)	(1,358)	(1,180)
Net book value	66	148	181	11	106	78	590	700
Estimated useful life	25 years	10 years	20 years	4 years	10 years	lease term		

1. The College

a) Authority and purpose

The Nunavut Arctic College ("the College") is a Schedule B Public Agency as listed in the *Financial Administration Act* ("FAA") of Nunavut and accordingly operates in accordance with Part IX of the FAA and the *Public Colleges Act*. The College is exempt from income taxes.

The purpose of the College is to provide a wide variety of educational services to adult learners. The programs are directed specifically to the northern environment and the needs of individual northerners, the workforce and northern communities. To accomplish this, courses and services are delivered at campuses and communities across Nunavut. Through the work of the Nunavut Research Institute, the College is also responsible for the facilitation and preparation of scientific research activity in Nunavut.

(b) Contributions from the Government of Nunavut

The College receives contributions from the Government of Nunavut as set out in the Government's Main Estimates and adjusted by supplementary appropriations. The contributions are to be utilized for the administration and delivery of the College's adult and post-secondary education programs in Nunavut. The College is allowed to retain all surpluses and is responsible for all deficits.

The College is economically dependent upon the contributions received from the Government for its ongoing operations.

2. Significant accounting policies

Basis of presentation

The financial statements have been prepared in accordance with Canadian public sector accounting standards (PSAS) as issued by the Chartered Professional Accountants of Canada (CPA Canada). The following is a summary of the significant accounting policies.

(a) Measurement uncertainty

The preparation of financial statements requires management to make estimates and assumptions that affect the amounts of assets, liabilities, revenues and expenses reported in the financial statements. By their nature, these estimates are subject to measurement uncertainty. The more significant areas requiring the use of management estimates are the allowance for doubtful accounts and the provision for employee future benefits. Actual results may differ from those estimated. The effect on the financial statements of changes to such estimates and assumptions in future periods could be significant, although, at the time of preparation of these statements, management believes the estimates and assumptions to be reasonable.

(b) Cash and cash equivalents

Cash and cash equivalents are comprised of bank account balances net of outstanding cheques and short term highly liquid investments that are readily convertible to cash. Cash equivalents are recorded at cost.

2. Significant accounting policies (continued)

(c) Contributions from the Government of Nunavut

Annual appropriation

Government funding is recognized as revenue when the funding is authorized and all eligibility criteria are met, except to the extent that funding stipulation give rise to an obligation that meets the definition of a liability.

The College receives its annual appropriation (base contribution) based on the Government of Nunavut's fiscal year which is different than the College's fiscal year. The College's annual appropriation is recognized as revenue in the period in which the funding relates once all eligibility criteria have been met and it has been authorized by the Legislative Assembly of the Government of Nunavut. The College also receives supplementary funding when it is determined that additional funding is required. Supplementary funding is recognized as revenue on the same basis as its annual appropriation.

Services provided without charge

The Government provides certain services without charge to the College. These services are recorded at cost as government contributions, and an equivalent amount is included in the expenses.

Audit services are provided without charge from the Office of the Auditor General of Canada to the College for the audit of the College's financial statements. No amount has been recognized in these financial statements in respect to the services provided.

(d) Revenue recognition

Revenues are recognized in the period in which the transactions or events occurred that gave rise to the revenues.

The College enters into contracts with private companies, federal and Territorial government departments, agencies and Territorial corporations to develop and deliver courses across Nunavut. Payments received under these contracts for which the development and delivery of courses is not completed are recorded as deferred contract income.

The College collects tuition fees and other student fees in order to support the delivery of programs, courses and other student related activities. Room and board fees are also collected to support the student residence operations.

(e) Tangible capital assets

Equipment, furniture, building and building improvements are recorded at cost and amortized on a straight-line basis over their estimated useful lives as follows:

Computers and printers	4 years
Furniture and equipment	10 years
Building improvements	20 years
Building	25 years
Mobile equipment	10 years
Assets under capital lease	over lease term

2. Significant accounting policies (continued)

(f) Lease obligations

The College classifies leases for equipment as either capital or operating leases, as appropriate.

Capital leases

Those leases which transfer substantially all the benefits and risks of ownership of property to the College are accounted for as tangible capital assets along with the related capital lease obligation. Both are initially recorded at the present value of the minimum lease payments, effective at the beginning of the lease.

Operating leases

Operating leases are those leases where substantially all the benefits and risks of ownership are not transferred to the College. Lease payments under operating leases are expensed as they are incurred in accordance with the agreement.

(g) Employee future benefits

Pension benefits

Eligible employees of the College are covered by the Public Service Pension Plan (the "Plan"), a contributory defined benefit plan established through legislation and sponsored by the Government of Canada. Contributions are required by both the employees and the College to cover current service cost. Pursuant to legislation currently in place, the College has no legal or constructive obligation to pay further contributions with respect to any past service or funding deficiencies of the Plan. Consequently, the employer contributions are recognized as an expense in the year when employees have rendered service and represent the total pension obligation of the College.

Non-pension benefits

Under the conditions of employment, eligible employees may earn non-pension benefits for resignation, retirement and removal costs based on years of service. The benefits are paid upon resignation, retirement or death of an employee. The expected cost of providing these benefits is recognized as employees render service. An actuarial valuation of the cost of these benefits has been prepared using data provided by management and assumptions based on management's best estimates. The College provides severance benefits to eligible employees based on years of service and final salary, and removal benefits based on years of services and their community of residence. These benefits represent the employee future benefit obligation of the College that entails settlement by future payment.

The College's employees are entitled to annual leave under the terms of employment. The liability for employee leave benefits is recorded as payable as the benefits accrue to employees.

2. Significant accounting policies (continued)

(h) Financial instruments

Financial instruments are identified by financial asset and financial liability classifications.

The following is a list of the College's financial instruments and their related measurement bases as at June 30, 2014.

Financial Assets:	***Measurement Basis***
Cash and cash equivalents	Cost
Accounts receivable	Cost

Financial Liabilities:	***Measurement Basis***
Accounts payable and accrued liabilities	Cost
Professional development fund	Cost
Due to the Government of Nunavut	Cost

All financial assets are tested annually for impairment. When financial assets are impaired, impairment losses are recorded in the Statement of Operations and Accumulated Surplus. The allowance for doubtful accounts is based on management's best estimate of probable losses. The allowance is calculated based on a percentage of aged receivables that are 120 days and over. The allowance for doubtful accounts is shown as a reduction to accounts receivable. Management recommends write-offs of student accounts that are 500+ days overdue. Student and other receivables related write-offs are submitted to the Board of Governors for their approval. Any write-offs greater than $20 must be submitted to the Financial Management Board (FMB) for approval.

(i) Budget

Canadian public sector accounting standards require a territorial corporation to present in its financial statements a comparison of the results of operations and changes in net debt for the period with those originally planned. March 31, 2014 budgeted figures which approximate one operating year have been provided for comparison purposes and have been derived from the Main Estimates and Business Plan.

(j) Contingencies

A contingent liability is a potential liability which may become an actual liability when one or more future events occur or fail to occur. To the extent that the future event is likely to occur or fail to occur, and a reasonable estimate of the loss can be made, an estimated liability is accrued and an expense is recorded. If the likelihood is not determinable or an amount cannot be reasonably estimated, the contingency is disclosed in the notes to the financial statements.

3. Cash and cash equivalents

	2014	2013
Cash	$ 30,770	$ 3,031
Cash equivalents	5,161	30,145
	$ 35,931	**$ 33,176**

Cash and cash equivalents include short term investments consisting of Guaranteed Investment Certificates (GICs), bearing interest of 1.03% (2013 - 1.27%) and maturing during the next fiscal year. The GICs are redeemable after 30 days.

4. Accounts receivable

	2014	2013
Student receivable		
Government of Nunavut	$ 462	$ 442
Student accounts	761	581
	1,223	1,023
Contracts receivable		
Government of Nunavut	1,326	905
Others	2,084	1,526
	3,410	2,431
Other receivable		
Government of Nunavut	1	2
Other	185	184
	186	186
Total receivable	4,819	3,640
Less: Allowance for doubtful accounts		
Student receivable	(1,013)	(948)
Contract receivable	(184)	(198)
Other receivable	(18)	(46)
	$ 3,604	**$ 2,448**

There is no concentration of accounts receivable with any customer, except the Government of Nunavut - $1,789 (2013 - $1,349).

In accordance with Section 82 of the *Financial Administration Act* of Nunavut, there was a $32 write-off presented and approved by the Board of Governors during the year (2013 - $11 write-off).

5. Accounts payable and accrued liabilities

	2014	2013
Trade payables and accrued liabilities	$ 632	$ 1,076
Contract payable	-	66
Employee benefits payable	1,606	1,358
Deposits payable	162	147
	$ 2,400	**$ 2,647**

6. Capital lease obligations

Capital lease obligations are based upon contractual minimum lease payments for leases in effect as of June 30.

	2014	2013
Total minimum lease payments	$ 149	$ 196
Less: Imputed Interest (total interest expense to be incurred)	(9)	(27)
Present value of minimum lease payments	$ 140	$ 169

The future minimum lease payments for each of the next five (5) fiscal years are:

2015	$ 84
2016	56
2017	7
2018	2
2019	-
	$ 149

Lease payments are allocated between repayments of the liability and interest expense. The total minimum lease payments less the initial liability represent the total interest cost of the lease. The interest expense is calculated using the same discount rate used in computing the present value of the minimum lease payments applied to the outstanding lease liability at the beginning of the lease payment period.

Interest expense related to capital lease obligations for the year was $24 (2013 - $31) at an implied average interest rate of 17.81% (2013 - 21.66%). The capital lease obligations expire on fiscal years 2014/15 to 2017/18.

7. Professional development fund

The College is required, under the Nunavut Employees Union Collective Agreement to contribute an amount equivalent to 4% (2013 - 4%) of instructors' salaries for professional development activities. Contributions to the professional development fund were $355 (2013 - $309) and this amount is recorded as an expense in the Statement of Operations and Accumulated Surplus.

The professional development fund represents accumulated annual provisions for professional development activities, less accumulated eligible professional development expenses. The College expects to settle the obligation based on future eligible expense claims.

	2014	2013
Opening fund balance	$ 927	$ 778
Add: Contributions	355	309
Interest earned	8	7
Less: Professional development expenditures	(70)	(167)
Closing fund balance	$ 1,220	$ 927

8. Employee future benefits

Pension

Eligible employees of the College are covered by the public service pension plan (the "Plan"), a contributory defined benefit plan established through legislation and sponsored by the Government of Canada. Contributions are required by both the employees and the College. The President of the Treasury Board of Canada sets the required employer contributions based on a multiple of the employees' required contribution. The general contribution rate effective at year end was 1.45 times for members enrolled before January 1, 2013 and 1.43 times for members enrolled beginning January 1, 2013 (1.64 and 1.57 times for 2013).

The Government of Canada holds a statutory obligation for the payment of benefits relating to the Plan. Pension benefits generally accrue up to a maximum period of 35 years at an annual rate of 2 percent of pensionable service times the average of the best five consecutive years of earnings. The benefits are coordinated with Canada/Quebec Pension Plan benefits and they are indexed to inflation.

The College's and employees' contributions to the Public Service Pension Plan for the year were as follows:

	2014	2013
College's contributions	$ 2,006	$ 2,040
Employees' contributions	1,301	1,245

Non-pension

The College provides severance benefits to eligible employees based on years of service and final salary, and removal benefits based on years of service and their community of residence. This benefit plan is not pre-funded and thus has no assets, resulting in a plan deficit equal to the accrued benefit obligation. Future benefits will be paid out of future appropriations. The accrued obligations at year end are as follows:

	2014	2013
Severance (resignation & retirement)		
Accrued obligation, beginning of year	$ 657	$ 696
Add: Expense for the year	346	(24)
Less: Benefits paid	(123)	(15)
Accrued obligation, end of year	880	657
Removal		
Accrued obligation, beginning of year	414	441
Add: Expense for the year	151	-
Less: Benefits paid	(54)	(27)
Accrued obligation, end of year	511	414
	$ 1,391	$ 1,071

9. Government funding

	2014	2013
Contributions received from the Government of Nunavut	$ 32,204	$ 35,756
Services provided without charge (Note 11)	10,631	10,438
Total government contributions	**$ 42,835**	**$ 46,194**

The Government of Nunavut (GN) provides funding to the College for the period April 1 to March 31 annually. The College recognized the government funding as revenues on April 1. Seventy five percent (75%) of the amount recognized includes government funding designated for the first nine (9) months of the College's 2014/15 fiscal year.

10. Expenses by object

	2014	2013
Salaries and employee benefits	$ 30,133	$ 27,892
Fees and professional services	8,324	8,537
Buildings and utilities	7,954	8,264
Travel	2,265	1,977
Materials and supplies	1,518	1,519
Housing	1,180	1,229
Telecommunications	523	449
Furniture and equipment	353	343
Advertising and promotion	395	320
Contributions to the professional development fund (Note 7)	355	309
Freight and postage	338	253
Bad debt expense	56	116
Amortization	178	176
	$ 53,572	**$ 51,384**

11. Related party transactions

The College is related in terms of common ownership to all Government created departments, agencies and Territorial corporations. The College enters into transactions with these entities in the normal course of business under terms and conditions similar to those with unrelated parties. In addition to those related party transactions disclosed elsewhere in these financial statements, the College had the following transactions:

Contract Income

Of the $11,070 (2013 - $8,944) of contract income earned in the year, $4,889 (2013 - $3,711) is for courses delivered on behalf of the Government of Nunavut.

11. Related party transactions (continued)

Due to the Government of Nunavut

	2014	2013
Due to the Government of Nunavut	$ 7,487	$ 7,019

This amount represents expenditures originally paid by the Government of Nunavut, primarily payroll, and invoiced to the College for payment within the current year.

Services provided without charge

The College received payroll processing, insurance and risk management services, human resources, employee benefits and information technology services without charge from the Government. The College also receives, without any rental charges, the use of facilities for its campuses, head office, student housing units and community learning centres. The Government's amortization expense for these assets has been used as the basis for measuring the expense relating to the use of these facilities.

	2014	2013
Employee benefits	$ 1,367	$ 1,183
Use of facilities	7,770	8,033
Payroll processing and other services	1,494	1,222
	$ 10,631	$ 10,438

12. Contractual obligations

In addition to the facilities provided by the Government, the College has two (2) operating leases, student catering services, and a University Transfer agreement and is committed to the following basic payments over the next five (5) years:

2015	$ 2,133
2016	2,099
2017	1,237
2018	-
2019	-
	$ 5,469

The contractual obligations expire during the fiscal year 2016/17.

13. Financial risk management

The College has exposure to the following risks from its use of financial instruments: credit risk, market risk and liquidity risk. There have been no changes to the level of risks compared to prior year and no changes to the risk management practices used to manage risks.

(a) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to meet their obligations. Such risks arise principally from certain financial assets held by the College consisting of cash and cash equivalents and accounts receivable.

The maximum exposure to credit risk of the College at June 30, 2014 is the carrying value of these assets.

(i) Cash and cash equivalents

The College manages its credit risk relating to cash and cash equivalents by dealing with senior Canadian chartered banks. The College invests surplus funds to earn interest income with the objective of maintaining safety of principal and providing adequate liquidity to meet cash flow requirements.

(ii) Accounts receivable

The College's exposure to credit risk associated with accounts receivable is influenced mainly by the type of debtor. The types of debtor as at June 30, 2014 are the Government of Nunavut, students and others.

To mitigate credit risk related to accounts receivable, the College does regular follow-up on their accounts receivable. Credit exposure is minimized by dealing mostly with creditworthy counterparties such as government agencies. The College also enforces approved collection policies for student accounts.

As of June 30, 2014, the total accounts receivable past due but not impaired are aged as follows: 0-60 days - $756, 61-120 days - $795, and over 121 days - $1,312.

The College establishes an allowance for doubtful accounts that reflects the estimated impairment of accounts receivable. The allowance is based on specific amounts and is determined by considering the College's knowledge of the financial condition of customers, the aging of accounts receivable, current business condition and historical experience.

(b) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The College is exposed to interest rate risk in that changes in market interest rates will cause fluctuations in the interest revenue from cash and short-term investments. This risk is not significant due to the short terms to maturity of the cash and cash equivalents.

Although management monitors exposure to interest rate fluctuations, it does not employ any interest rate management policies to counteract interest rate fluctuations.

The College is not exposed to significant currency or other price risk.

13. Financial risk management (continued)

(c) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting its obligations associated with its financial liabilities.

The College manages liquidity risk by continually monitoring actual and forecasted cash flows from operations and anticipated investing and financing activities to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, without incurring unacceptable losses or risking damage to the College's reputation.

At June 30, 2014, the College has a cash and cash equivalents balance of $35,931 (2013 - $33,176). The College's financial liabilities are accounts payable and accrued liabilities of $2,400 (2013 - $2,647) and due to the Government of Nunavut of $7,487 (2013 - $7,019) are due within the current year.

14. Contingencies

At June 30, 2014, the College recognized a contingent liability of $19 (2013- $533) in the financial statements. The liability was based on the 2013/14 Liability Assessment Report provided by the Employee Relation of the GN-Department of Finance as a result of one (1) outstanding grievance involving the College.

Other indemnification agreements

In the normal course of operations, the College signs agreements whereby funds are provided to the College for execution of projects which are subject to restrictions as to the use of funds. The sponsors of these projects can execute an audit of the financial records of the College to ensure compliance with the project requirements. In the event that amounts to be reimbursed to the sponsor of a project are identified, the necessary adjustments will be recognized in the year they are identified.